

LEASE NUMBER: SUR-0397-L

LESSEE Atlantic Aqua Farms Ltd.

These Presents made as of the Sixteenth day of
November, Two Thousand and Eighteen.

BETWEEN

HER MAJESTY, THE QUEEN IN
RIGHT OF CANADA, represented
By the Minister of Fisheries and Oceans
(Hereinafter called the "Minister")

PARTY OF THE FIRST PART

-AND-

Atlantic Aqua Farms Ltd.
918 Brush Wharf Road
Orwell Cove
PE
C0A 2E0

, (hereinafter
called the "Lessee")

PARTY OF THE SECOND PART

WHEREAS the administration, management and control of all areas of the sea coast, bays and rivers within the Province of Prince Edward Island dedicated for mollusc cultivation are, pursuant to a 1928 Federal / Provincial Agreement, under the administration, management and control of Her Majesty the Queen in Right of Canada;

AND WHEREAS pursuant to the 1928 Agreement and to the Fisheries Act, RSC c. F-14, section 7, the Minister is authorized to issue leases for the lands described above for the purposes of production and cultivation of oysters and other mollusca;

AND WHEREAS the Lessee has applied to the Minister to lease certain premises within the Province of Prince Edward Island for the purpose set forth in Section V of Schedule A;

NOW, THEREFORE, IT IS HEREBY AGREED by and between the parties hereto; that "Schedule" refers to a Schedule hereto attached together with any plan or plans attached to such Schedule; that the expression "this lease" or "these Presents" includes such attached Schedules; that the Expression "terms and conditions" includes every provision, covenant, stipulation, exception, reservation, proviso, term and condition of these Presents contained; that the expression "designated premises" means the property more particularly indicated and defined by Section 1 of Schedule A; and that the expression "said demise" means the rights or rights specified by Section II of Schedule A;

AND NOW, THEREFORE, THESE PRESENTS FURTHER WITNESS that in consideration of the rental hereinbefore reserved and in consideration of, and upon and subject to the terms and conditions hereinbefore and hereinafter appearing, the Minister does hereby demise unto the Lessee, in respect of the designated premises, the said demise, TO HAVE AND TO HOLD, the said demise as described in Schedule A, YIELDING AND PAYING THEREFORE UNTO the Minister the rental stipulated in Section VI of Schedule A.

AND THESE PRESENTS FURTHER WITNESS that the Minister has granted this Lease and all parties hereto have executed these Presents upon and subject to the terms and conditions hereinbefore appearing and upon and subject to the following terms and conditions:

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1. The said demise shall be used by the Lessee for the purpose specified in Section V of Schedule A, and for no other purpose and in no other way save with the written consent of the Minister and upon such terms and conditions as may be stipulated by the Minister;
2. The Lessee shall pay the rental specified in Section VI of Schedule A and shall also pay all charges, taxes, rates and assessments of whatever description which shall during the currency of this Lease be charged upon or become payable in respect of the said demise; Each year on April 1st, the Minister may increase the rental specified in Section VI of Schedule A by an amount not to exceed the compounded Consumer Price Index since the date of the last increase as reported by Statistics Canada for the preceding calendar years or another amount as approved by Treasury Board.
3. The Lessee shall in all respects comply with all relevant, regulations and by-laws of municipalities and other levels of government and of the Minister from time to time in force and in any degree affecting the exercise or fulfillment in any manner of any right or obligation arising under or as a result of these Presents, AND IN PARTICULAR, but without restricting the generality of the foregoing, shall comply with all applicable requirements under any Acts and regulations of the Parliament of Canada including the Fisheries Act and all regulations made thereunder;
4. The Minister shall have full and free access to the designated premises for all purposes consistent with the Lessee's rights hereunder, AND IN PARTICULAR, but without restricting the generality of the foregoing, for the purpose of examining the condition of the designated premises and of any structure, installation or alteration thereon or thereto existing, constructed or made;
5. The Lessee shall within one year from the date of these Presents begin utilization of the designated premises for the purpose specified in these Presents and, subject to Clause 15, shall at all times cultivate and maintain molluscs within the said demise for the duration of these Presents, as specified in Section V of Schedule A, AND SHALL FURTHER mark the said demise in the manner indicated by the Minister from time to time and provide the Minister annually with a true and accurate report in the form prescribed by the Minister;
6. The Lessee shall not assign or sublet all or any portion of the said demise or grant any license, privilege, easement or other right in any manner affecting the said demise save with the written consent of the Minister and upon such terms and conditions as may be stipulated by the Minister;
7. No structure, installation or alterations shall at any time be constructed, erected or made or reconstructed, re-erected, or restored upon or to the designated premises by the Lessee save with the consent of the Minister and upon such terms and conditions as may be stipulated by the Minister;
8. The Lessee shall at the Lessee's own expense keep in good repair the designated premises together with any structure, installation or alteration such as contemplated by Clause 7 above;
9. All structures, installations, materials, supplies, articles, effects and things at any time erected, brought, placed or being on the designated premises shall be entirely at the risk of the Lessee in respect of loss, damage, destruction or accident from whatsoever cause arising;
10. In respect of any claim or demand of any nature arising against the Minister at any time, and in respect of any loss suffered by the Minister if the said claim, demand or loss is in any manner based upon, occasioned by, attributable to, or connected with these Presents, then the Lessee shall waive the said claim if the said claim is possessed by the Lessee, and shall indemnify and save harmless the Minister against and from said claim if said claim is possessed by a third party, and the Lessee shall, at the Lessee's expense, reimburse the Minister for the Minister's loss, and the Minister may make good the Minister's damage and recover the cost thereof from the Lessee;


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11. Any notice or information or other documentation given by the Minister to the Lessee shall be given by hand or sent by registered mail to the mailing address on this Lease Agreement. If the Lessee changes the mailing address, he or she shall notify the Minister immediately. The notice or information shall be deemed to have been given on the date on which it is delivered.
12. It is a condition of these presents that the Lessee shall at all times and in all respects comply with the requirements of the Navigable Waters Protection Act and regulations made thereunder, as amended from time to time during the currency of these Presents, and with the terms and conditions of any Ministerial approval given thereunder and of any environmental assessment applying to the said demise, and further that no "work" within the meaning of Part I of the Navigable Waters Protection Act shall, in respect of the said demise, be undertaken or constructed by the Lessee or suffered by the Lessee to be undertaken or constructed until as regards such work the provisions of the said Navigable Waters Protection Act and Regulations thereunder, as well as the Ministerial approval and environmental assessment, shall have been fully complied with;
13. The Lessee shall have no recourse against Her Majesty in Right of Canada should the title of the Minister prove to be defective in respect of the designated premises or should these Presents prove ineffective by reason of any defect in such title;
14. As from the date of cancellation or termination of these Presents this Lease shall absolutely cease and determine without re-entry or any other act or suit or legal proceedings to be brought or taken, and the Lessee shall upon such cancellation or termination, immediately and at the Lessee's own expense remove from the designated premises any and all property as constructed, erected, made, brought or placed thereon by the Lessee and shall restore the designated premises to as good order and condition as prevailed immediately prior to the commencement of the term of the said premise, and in the event of the failure of the Lessee so to do with reasonable expedition, of which the Minister shall be the sole judge, the Minister may effect such removal and restoration at the Lessee's own risk and expense;
15. Without in any manner restricting or affecting the generality or application of Clause 8 it is hereby expressly provided that if any structure or installation constructed or erected by the Lessee on the designated premises be at any time destroyed or partially destroyed, the Lessee shall within the period of six months after such destruction rebuild the same at the Lessee's own expense and in a manner satisfactory to the Minister;
16. Notwithstanding Clause 13 above but subject to any provision in this Lease contained for cancellation or termination thereof, it is agreed that if public purposes – which public purposes shall be deemed to include any arising in connection with any project or operation of any Federal, Provincial or Municipal authority – shall in the Minister's opinion, necessitate the cancellation of this Lease in respect of all or any portion of the designated premises, the Minister may effect such cancellation upon ninety days written notice to the Lessee, in which event the Minister shall pay to the Lessee the fair value of the fixtures, (except tenant's fixtures which latter shall be removed by the Lessee at the Lessee's expense) constructed or erected by the Lessee at the Lessee's expense upon that portion of designated premises covered by such notice and still situate thereon at the time of the giving of such notice;
17. If the rental hereby reserved, or any part thereof, or any other sums or charges payable hereunder, or any part thereof, shall be in arrears for thirty days, whether or not the same shall have been in any manner demanded, or in case breach or nonobservance be made or suffered by the Lessee at any time or times in or in respect of any of the other terms and conditions in this Lease contained, which, on the part of the Lessee, ought to be observed or performed, then and in every of such cases it shall be lawful for the Minister (without judicial enquiry of finding) in conformity with the provisions of the Fisheries Act and Regulations made thereunder to cancel this Lease, AND no acceptance of rental subsequent to any breach or nonobservance nor any condoning, excusing or overlooking by the Minister on previous occasions of breaches or nonobservances similar to that for which this Lease shall be cancelled shall be taken as a waiver of these conditions or in any way defeat or affect the rights of the Minister hereunder including those rights arising out of any breach of nonobservance by the Lessee antecedent to that for which this Lease shall be cancelled;



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18. On condition that the Leaseholder has fully complied with all terms and conditions of this Lease Agreement and with all relevant federal, provincial and municipal laws and regulations, the Minister may renew this Lease Agreement up to 4 times, for 5 years each time after the initial term, to a maximum of 25 years from the date on which this Lease Agreement comes into force. At the end of the final term the Minister may approve additional five-year terms under such terms and conditions as he or she may determine.

19. This Lease supersedes any existing lease agreement with respect to the designated premises specified in Section 1 of Schedule "A".

AND IT IS FURTHER AGREED by and between the parties hereto that every right and obligation conferred or imposed, by or by virtue of these Presents, upon any person (whether or not a party to these Presents, but including the Minister and the Lessee) shall subject only to Clause 5 above, accrue to and be binding upon the heirs, executors, administrators, successors and permitted assigns of such person; and that if the Lessee as contemplated by these Presents constitutes two or more legal persons, then the terms and conditions of these Presents (insofar as pertinent to the Lessee) shall be binding upon and enforceable by or against such persons jointly and severally;

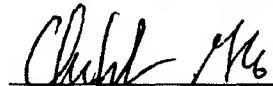
IN WITNESS WHEREOF, the parties to these Presents have hereto set their hands and seals, this

16th Day of November 2018.

WITNESS



FOR THE MINISTER



WITNESS



LESSEE



Canada

Lease: SUR-0397-L

SCHEDULE "A"
MINISTER OF FISHERIES AND OCEANS
- AND -

Atlantic Aqua Farms Ltd.

SECTION I Designated Premises: All that certain parcel of land covered by water situate, lying and being in **Tracadie Bay**, Province of Prince Edward Island.

The Premises are further described as follows:

All coordinates are in the Latitude/Longitude - NAD 83 Datum.

From Point -	-62 59.4578	46 22.3205
To Point -	-62 59.4575	46 23.0279
To Point -	-62 59.5764	46 23.0279
To Point -	-62 59.5763	46 23.3455
To Point -	-62 59.3267	46 23.3455
To Point -	-62 59.3269	46 22.3205
To Point -	-62 59.4254	46 22.3205
To Point -	-62 59.4578	46 22.3205

Comprising 100.6 acres as depicted in the attached chart, Appendix A.

SECTION II Said Demise: The right to possess the designated premises subject to, and to such extent as not conflicting with, the terms and conditions of the following subparagraph;

IT BEING FURTHER EXPRESSLY AGREED that fishermen engaged in fishing for or catching any kind of fish other than mollusca within the designated premises possess the right to fish, all to such extent as not to injure in anyway the mollusc cultivation nor to prevent any necessary operations for the mollusc cultivation of the said demise by the Lessee.

SECTION III Clause (5) : Period of compliance with marking provisions:
From May 1 to November 30 inclusive, ice conditions permitting.

SECTION IV Environmental Clause: Without restricting the generality of any provision of this lease, the Lessee shall adhere to all applicable environmental legislation and shall clean up, to federal standards as established from time to time, any contamination of the designated premises caused during the term of the lease.

SECTION V Purpose: For the purpose of cultivation of species of Mussels and other purposes strictly incidental thereto.

SECTION VI Rental: The following rentals are due and payable thirty(30) days from receipt of invoice:

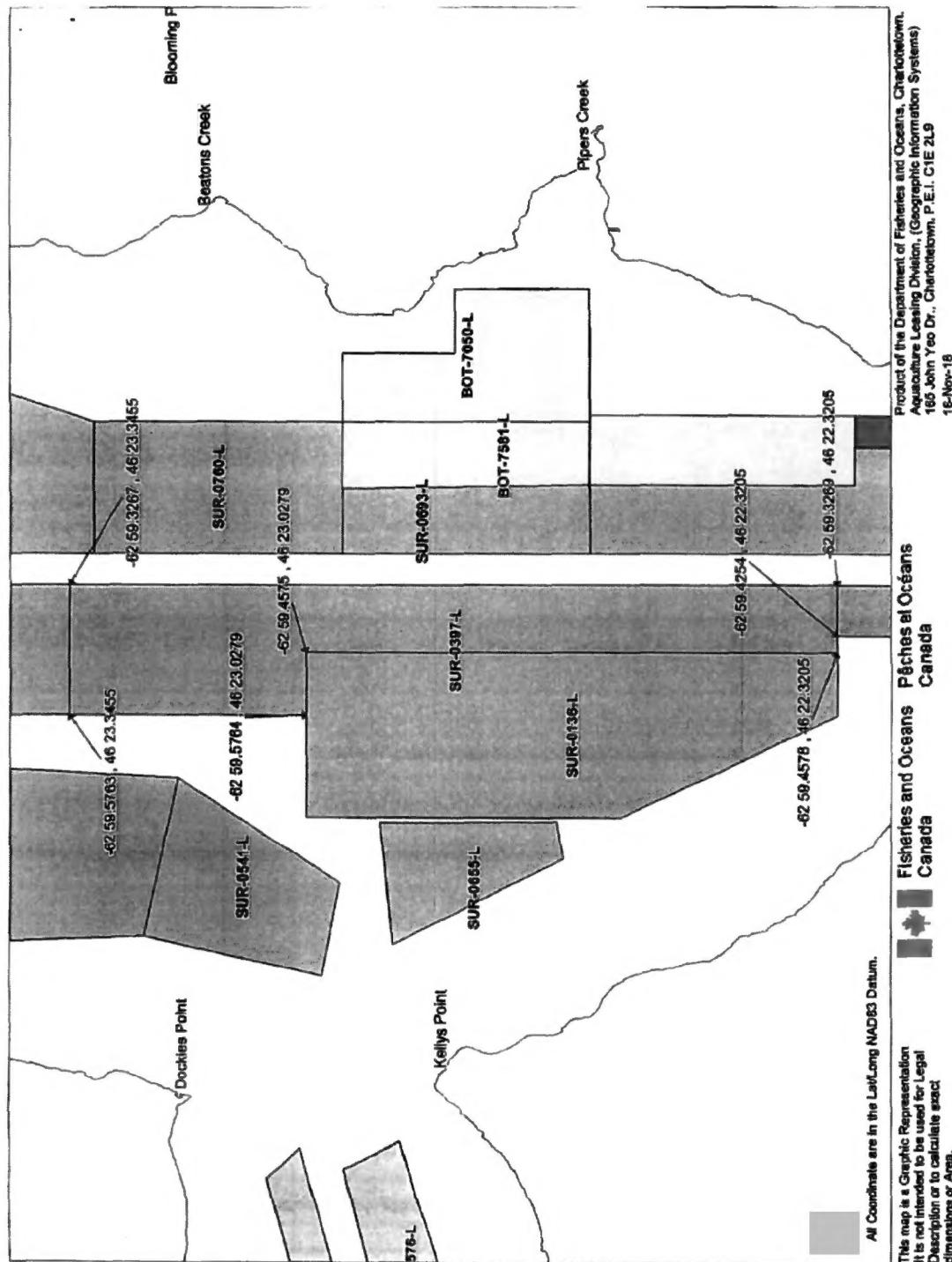
\$1,161.50 (HST Included)

SECTION VII **CONTRACT TERM:** Commencing on November-16-18
and terminating on March-31-2043

PROVIDED that the Minister shall - subject to the provisions of Clause 18 of the PRESENTS - grant to the Lessee a renewal(s) of the Lease for an additional and consecutive term of years as determined by the Minister.

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Lease	Contract Name	Location	Contract Date
SUR-0500-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0563-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0571-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0633-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0642-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0773-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0397-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	16-Nov-18
SUR-0136-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0384-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0385-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0541-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0543-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0570-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0572-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0622-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0629-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0693-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	12-Feb-18
SUR-0760-L	Atlantic Aqua Farms Ltd.	Tracadie Bay	16-Nov-18